

APR 30 2018
U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

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CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,)	<u>INFORMATION</u>
)	
Plaintiff,)	CASE NO 5 : 18 CR 0211
)	
v.)	
)	
ROBERT J. ANDREWS, JR.,)	JUDGE JUDGE POLSTER
)	
Defendant.)	Title 26, Section 7206(1),
)	United States Code
)	

GENERAL ALLEGATIONS

At all times material to this Information or other times specified:

1. Defendant ROBERT J. ANDREWS, JR. was a licensed attorney in the State of Ohio from 1968 until his resignation from the bar in November 2003.
2. In or around 2008, Defendant formed Ace Demo, Inc. (Ace Demo), by changing the name of a predecessor company he had previously formed, Burlington Investments. Ace Demo initially focused on small demolition projects.
3. In or around 2009, an individual identified as P.L., not charged herein, invested in Ace Demo and became the sole owner. P.L. agreed to provide financial backing to grow the business.

4. On or about January 3, 2012, Defendant and a relative (Relative 1), not charged herein, opened a bank account at Huntington National Bank, ending in #4829, (Huntington #4829 account) in the name of Ace Demo, falsely representing that Defendant was Ace Demo's President and Relative 1 was Ace Demo's Vice President and partner. P.L. did not have access to the Huntington #4829 account.

5. On or about May 4, 2012, P.L. agreed to step away from Ace Demo as Defendant was frustrated with the manner in which P.L. managed the company. P.L. agreed to let Defendant assume sole management responsibilities pursuant to an agreement they signed around the same time. Ace Demo ceased operations in early 2013.

6. In or around July 2001, Defendant formed Gem Collar, L.L.C. (Gem Collar), as a business entity with the stated business purpose to "engage in any lawful act or activity for which Limited Liability Companies may be formed under the Ohio Revised Code." Defendant reported Gem Collar's activities as an S corporation on Schedule C of his personal income tax return.

7. On or about August 14, 2006, Defendant and Relative 1 opened a bank account at Huntington National Bank, ending in #1797 (Huntington #1797 account), in the name of Gem Collar.

8. On or about January 30, 2008, Defendant and Relative 1 opened a bank account at Huntington National Bank, ending in #8770 (Huntington #8770 account), in the name of Gem Collar, d/b/a Automotive Composite Analysis, an unregistered business.

9. In or around October 2008, an individual identified as C.M., not charged herein, formed Rocky Mountain Logging Company, L.L.C. (RML), as a trucking company. Defendant and C.M. were friends and fellow attorneys.

10. In or around 2011, C.M. asked Defendant to take over RML's operations.

Defendant then began managing RML's daily operations and became the signatory on RML's business bank account at U.S. Bank.

11. After Defendant took control of RML, he no longer used RML's U.S. Bank account and began to use other bank accounts he and Relative 1 controlled at Huntington National Bank, including accounts in the name of Gem Collar, to conduct RML's financial activities.

12. In or around August 2012, Defendant formed Falcon, L.L.C. (Falcon), listing an Ace Demo employee, J. P., not charged herein, as the statutory agent and incorporator. Defendant submitted his residential address as J. P.'s mailing address for Falcon's filings. Defendant formed Falcon as a partnership between Defendant and J. P. to perform small, residential demolition projects.

13. On or about August 17, 2012, Defendant and J. P. opened a bank account at Huntington National Bank, ending in #5714 (Huntington #5714 account), in the name of Falcon with both individuals noted as signatories on the account. Defendant used the Huntington #5714 as his personal bank account as he kept control of the checkbook and conducted the majority of the transactions.

14. From in or around 2010 through in or around 2012, Defendant diverted monies from Ace Demo and RML into Huntington bank accounts he and Relative 1 controlled for their personal benefit. Defendant also directed that his compensation from Ace Demo be deposited into the Huntington #1797 account, which he also used for his personal expenses.

15. Defendant failed to report the transfer of monies as income, which he used for personal expenses, through the Huntington #1797 account and other Huntington accounts, resulting in taxes due and owing in the amounts of \$3,147, \$35,202 and \$82,467 for the 2010, 2011 and 2012 tax years, respectively.

COUNT 1
(Making and Subscribing False Tax Returns,
in violation of 26 U.S.C. § 7206(1))

The United States Attorney charges:

16. The factual allegations of paragraphs 2 through 15 of this Information are realleged and incorporated by reference as if fully set forth herein.

17. On or about October 14, 2012, in the Northern District of Ohio, Eastern Division, Defendant ROBERT J. ANDREWS, JR., a resident of Hiram, Ohio, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2011, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, and which he did not believe to be true and correct as to every material matter in that, as he then and there well knew and believed, said return understated total income (on line 22) by failing to report income, approximately \$108,743.97, the defendant had received that year in the form of monies acquired from Ace Demo and RML for his personal use.

All in violation of Title 26, Section 7206(1), United States Code.

COUNT 2
(Making and Subscribing False Tax Returns,
in violation of 26 U.S.C. § 7206(1))

The United States Attorney further charges:

18. The factual allegations of paragraphs 2 through 15 of this Information are realleged and incorporated by reference as if fully set forth herein.
19. On or about October 15, 2013, in the Northern District of Ohio, Eastern Division, Defendant ROBERT J. ANDREWS, JR., a resident of Hiram, Ohio, did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040, for the calendar year 2012, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, and which he did not believe to be true and correct as to every material matter in that, as he then and there well knew and believed, said return understated total income (on line 22) by failing to report income, approximately \$287,874.61, the defendant had received that year in the form of monies acquired from Ace Demo and RML for his personal use.

All in violation of Title 26, Section 7206(1), United States Code.

JUSTIN E. HERDMAN
United States Attorney

By:


Michael L. Collyer
Chief, White Collar Crimes Unit